

Guaranteed Education Tuition Program (GET) Washington State's 529 Prepaid College Tuition Program

PROGRAM SUMMARY

Annual Enrollment Period (September 15-March 31)

Updated November 9, 2006

Overview

- GET allows families to prepay for their children's future college tuition now and have peace of mind knowing that their savings will keep pace with rising college tuition.
- GET works on a unit system, with 100 GET units equal to one year of resident undergraduate tuition and required state fees at the most expensive Washington public university (UW or WSU).
- Families can buy up to 500 units – five years of tuition – for each child.
- Students can use their GET accounts at nearly any college, university or vocational school – public or private – in the United States and many schools around the world.
- Families can use their accounts for tuition, room and board, books or other qualified expenses.
- Either the student or account owner must live in Washington at the time the account is opened.
- GET has been the nation's fastest-growing prepaid tuition program for *three years in a row*.

Key Features

Keeping pace with rising college tuition

- The State of Washington guarantees that if families buy one year of college tuition today (100 GET units), it will be worth one year of college tuition when it's time for college – regardless of how much tuition has increased over that time period.¹
- Tuition at Washington public universities has climbed an average of 7 percent annually over the past 25 years. Four years ago, tuition soared 16 percent in one year.

Tax-free savings and withdrawals *New*

- GET accounts grow tax-free and all withdrawals are tax-free when used for tuition, room and board, books or other qualified expenses. President Bush recently signed legislation making this tax exemption permanent. The tax-exemption was scheduled to expire in 2010.

Favorable financial aid treatment *New*

- A new federal law changed the financial aid treatment of GET accounts to make it easier for families to qualify for financial aid. GET accounts now are considered assets of the account owner, generally the parent, in determining a student's eligibility for financial aid.

Flexibility

- Families can sign up for monthly payment plans or send checks whenever they have extra cash.
- If the child decides not to go to college, a family can wait up to 10 years to see if he changes his mind, transfer the account to another family member, or request a refund.

¹ The value of GET units is based on resident undergraduate tuition and required state fees at the most expensive public university in Washington, generally the University of Washington or Washington State University.

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Washington State's 529 prepaid college tuition program

FAST FACTS

Type of Plan:	Section 529 prepaid college tuition program
Year launched:	1998
Administrator:	Washington Higher Education Coordinating Board (administers program) Washington State Investment Board (manages program's investments)
Eligibility:	Either the student or account owner must live in Washington at the time of enrollment
Ownership:	The account owner controls the account.
Tax implications:	Earnings are 100 percent exempt from federal income taxes when used for qualified higher education expenses. Plan also allows gift and estate tax benefits.
Financial aid implications:	Accounts are considered assets of the account owner, generally the parent. A new federal law may make it easier for students with GET accounts to qualify for financial aid.
Total accounts:	68,060 accounts worth \$796 million
Average account value:	\$10,304
Average age of student at time of enrollment:	8.5 years
Number of students who have used their units:	6,726 students have used or are currently using their accounts at schools in 46 states and 5 foreign countries.
Total amount paid to colleges:	\$47.7 million
Typical account owner:	85 percent parents, 8 percent grandparents, 7 percent self/others
Tuition over time:	7.1 percent average annual increase at in-state public research universities (1981-2006)
Enrollment period:	September 15 – March 31